



Agreed-Upon Procedures Report
Board of Governors of Licensed
Architects, Landscape
Architects, & Interior Designers

July 1, 2005 to
December 31, 2006



Office of the Oklahoma State Auditor and Inspector
Jeff A. McMahan, CFE

**Board of Governors of Licensed Architects, Landscape Architects,
And Interior Designers**

Agreed-upon Procedures Report

**For the Period
July 1, 2005 to December 31, 2006**



STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

Jeff A. McMahan
State Auditor and Inspector

May 31, 2007

**TO THE BOARD OF GOVERNORS OF LICENSED ARCHITECTS, LANDSCAPE ARCHITECTS, AND
INTERIOR DESIGNERS**

Transmitted herewith is the agreed-upon procedures report for the State Board of Architects, Landscape Architects, and Interior Designers. The Office of the State Auditor and Inspector is committed to serving the public interest by providing independent oversight and by issuing reports that serve as a management tool to the State. Our goal is to ensure a government that is accountable to the people of the State of Oklahoma.

We wish to take this opportunity to express our appreciation to the agency's staff for the assistance and cooperation extended to our office during the course of our engagement.

Sincerely,

A handwritten signature in blue ink, reading "Jeff A. McMahan".

JEFF A. McMAHAN
State Auditor and Inspector

Mission Statement

Our mission is to protect the citizens of Oklahoma by regulating and promoting quality practice in the professions of Architecture, Landscape Architecture, and Interior Design.

Board Members

| | |
|--|-----------------------|
| Randy Weatherly - Landscape Architect..... | Chair |
| Frank Chitwood – Architect Vice..... | Chair |
| Connie Scothorn - Landscape Architect..... | Secretary – Treasurer |
| Jim Bruza – Architect..... | Member |
| James Loftis – Architect..... | Member |
| Joseph R. Coleman – Architect | Member |
| Tim Wynn – Architect..... | Member |
| Ben Graves – Architect | Member |
| James H. Hasenbeck – Architect | Member |
| Martina Gangel - Interior Designer | Member |
| Debbie Reynolds | Public Member |

Key Staff

| | |
|---------------------|---------------------|
| Jean Williams | Executive Director |
| Leslie Hanska | Executive Assistant |
| Ellen White | Executive Secretary |



STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

Jeff A. McMahan
State Auditor and Inspector

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

We have performed the procedures enumerated below, which were agreed to by management of the Board of Governors of Licensed Architects, Landscape Architects, and Interior Designers, solely to assist you in evaluating your internal controls over the receipt and disbursement process, and in determining whether selected receipts and disbursements are supported by underlying records for the period July 1, 2005 through December 31, 2006. This agreed-upon procedures engagement was conducted in accordance with standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. The sufficiency of these procedures is solely the responsibility of the specified parties in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

1. We compared the Board of Governors of Licensed Architects, Landscape Architects, and Interior Designers' internal controls over receipts and disbursements with the following criteria:
 - Accounting duties were segregated by functions into those who initiate or authorize transactions; those who execute transactions; and those who have responsibility for the asset, liability, expenditure, or revenue resulting from the transaction;
 - Receipts were issued for cash and/or checks received;
 - Incoming checks were restrictively endorsed upon receipt;
 - Receipts not deposited daily were safeguarded;
 - Voided receipts were retained;
 - 10% of the gross fees charged, collected and received were deposited to the State's General Revenue Fund;
 - Receipts and disbursements were reconciled to Office of State Treasurer and Office of State Finance records;
 - Disbursements were supported by an original invoice;
 - Timesheets were prepared by employees and approved by supervisory personnel.

We noted that the same individual (Executive Secretary II) is responsible for certain receipt, deposit and reconciliation functions. A component objective of a good internal control system is to provide segregation of duties. Without segregation of duties, errors and improprieties could occur and not be detected in a timely manner. We recommend that someone other than the individual receiving the money (Executive Secretary II) either create the deposit or reconcile the deposit to the receipts prior to making the deposit at the bank.

Management Response:

Our renewals are once every two years and this is the bulk of revenues we receive. During this time, the agency hires temporary help to assist us in these processes. The person handles opening the mail and attaching the checks to the renewals, as well as glancing over them to ensure everything is acceptable and filled out correctly. Cash is not taken except with express authorization from the Executive Director. These are then given to the Executive Secretary II who receipts them, flags for changes needed and forms to be mailed back out. At the end of the day, a deposit is made and reconciliation functions are performed twice prior to making the deposit at the bank.

Either, the Executive Director or Executive Assistant II will run a separate report to check the receipts daily. This report can also be run daily on a day separate from the actual day the deposit is deposited. Also, if a fourth person is available, we will have the fourth person open the mail instead of running the report, or both, as we see fit.

With respect to the other procedures applied, there were no findings.

2. We randomly selected 20 deposits and:
 - Compared the Treasurer's deposit date to agency deposit slip date to determine if dates were within one working day.
 - Examined receipts to determine if they were pre-numbered and issued in numerical order.
 - Agreed cash/check composition of deposits to the receipts issued.
 - Agreed the total receipts issued to the deposit slip.
 - Inspected agency receipts to determine whether receipts of \$100 or more were deposited on the same banking day as received.
 - Inspected agency receipts to determine whether receipts of less than \$100 were deposited on the next business day when accumulated receipts equaled \$100 or after five business days, whichever occurred first.
 - Inspected agency receipts to determine whether receipts were safeguarded.
 - Compared the fund type to which the deposit was posted in CORE to the CAFR fund type listing for consistency.
 - Compared the nature of the deposit to the account code description to determine consistency.

There were no findings as a result of applying the procedures.

3. We recalculated the required percentage/amount to be deposited to the State's General Revenue Fund and agreed it to the amount transferred to the General Revenue Fund.

There were no findings as a result of applying the procedures.

4. We randomly selected 60 vouchers and:
 - Compared the voucher amount and payee to the invoice amount and payee;
 - Compared the voucher amount and payee to the CORE system;
 - Compared the fund type to which the disbursement was charged in CORE to the CAFR fund type listing for consistency;
 - Compared the nature of the purchase to the account code description to determine consistency.

There were no findings as a result of applying the procedures.

5. We compared salaries set by statute, if any, to the actual salary paid to determine the statutory limit was not exceeded.

There were no findings as a result of applying the procedures.

6. We identified employees whose gross salary in December 2006 increased from July 2005 (excluding legislative pay raises) and randomly selected 10% (at least 1). We observed the "Request for Personnel Action" (OPM-14) or equivalent form to determine it had been signed by the appointing authority.

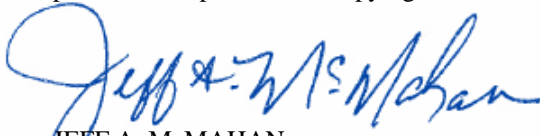
There were no findings as a result of applying the procedures.

7. We selected 10% (but no more than 20) of the employees from the December 2006 payroll. We agreed the amount paid to the "Request for Personnel Action" (OPM-14) or equivalent form in effect for December 2006.

There were no findings as a result of applying the procedures.

We were not engaged to, and did not, conduct an examination or a review, the objective of which would be the expression of an opinion or limited assurance on the cash, receipts, and disbursements for the agency. Accordingly, we do not express such an opinion or limited assurance. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management of the State Board of Architects, Landscape Architects, and Interior Designers and should not be used for any other purpose. This report is also a public document pursuant to the Oklahoma Open Records Act (51 O.S. § 24A.1 et seq.), and shall be open to any person for inspection and copying.



JEFF A. McMAHAN
State Auditor and Inspector

May 31, 2007

Protecting Your Tax Dollars



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